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Payroll Branch

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Payroll Branch

1. The following report on the Payroll Branch is basically a statement of conditions found and a chronological recitation of events up to the time the survey was temporarily suspended about 1 August 1955. Recognition has been given in the "conclusions" and "action recommended" to the change-over made by reducing the payroll groups from 5 to 2.

2. The present T/O strength is 25:

1 Chief, Payroll Branch	- GS 10
1 Assistant	- GS 8
2 Supervisors	- GS 7
1 Ass't Sup'r	- GS 6
16 Clerks	- GS 5
1 Clerk	- GS 4
<u>25</u>	

Three Supervisor positions have recently been eliminated.

3. DISCUSSION:

- a. Problem Areas. When the survey into the Payroll Branch started, it was apparent that there were many small and large problem areas to be considered in the processing of payrolls. They are listed below.

(1) Morale was not high.

(2) Within the two week payroll cycle, one week was very busy while the second week afforded idle time.

(3) The workload between the five payroll sections appeared to be unevenly distributed. In part this situation could be laid to differences in individual capabilities and/or shifts in Agency organizational structure.

(4) Although adhering to the general principals set-up for payroll procedure, each operating group was an entity unto itself and there was little cooperation between groups.

(5) The Payroll Branch supervision operated under a very loose control. No performance schedule to give a clear picture of the status of payrolls in the process of completion had been established. No effort was made to have the stronger payroll groups assist groups having trouble in completing their payrolls.

(6) Hours were lost by payroll clerks in running down missing T/A's, SF 71, or other data needed to support payment.

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- (7) Many payroll allotments were arriving in the Payroll Branch hours and, in a few cases, days behind the prescribed time and date due. Missing T/A Reports and errors from allotments were quite common.
- (8) The extent of missing T/A Reports was not known until after the Leave Record (EF 1137) was fully posted, calculated and balances extended.
- (9) The same can be said of surplus T/A Reports received by individual payroll clerks but not applying to the payroll allotments assigned to that clerk.
- (10) To locate missing T/A Reports that were possibly somewhere within the office of the Payroll Branch each payroll clerk had to take the time to canvass the other fifteen clerks in an effort to locate as many of the missing T/A Reports as she or he could before starting to telephone organizational T/A Clerks for the outstanding T/A Reports.
- (11) The use of form letters was not fully explored.
- (12) Unnecessary forms were being filled out by payroll clerks for each new purchase of U.S. Savings Bonds.
- (13) An inadequate control sheet was being used to notify the Disbursing Office when, and for whom, to issue a Savings Bond. On the control sheet in use, the Addressograph plate control numbers run from 1 to 500 and all plate control numbers above 500 thru 1800 were typed up separately. The intensity of this problem increased after the bond drive started. The Savings Bond drive also created a situation of confusion in the Payroll Branch because of the inability of the Disbursing Office to turn out plates and return Bond application fast enough to allow proper processing in the Payroll Branch.
- (14) The time of payroll clerks was being unduly lost in the operation of posting personnel actions to the Central Index File. Sixteen clerks went to this file, pulled cards matching the actions on hand, booked the cards back to their respective desks and typed in the needed information. The cards were then returned to a file clerk for filing.

Knowing these problems, an effort was made to correct as many as possible. Some have been solved to complete satisfaction, some not, and on others only time will prove that the proper solution has been reached. Each phase will be discussed.

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- (7) Another current factor in morale is the fact that 12 clerks were being called upon to operate 15 payrolls. In anticipation of changing from five (5) payroll groups of 3 clerks each, to three (3) payroll groups of 4 clerks each the clerical force was reduced to 12 by natural attrition. This created a situation where 12 clerks were working 15 payrolls. As there was no direct responsibility for the 3 dangling payrolls, they became a thorn in the side of the clerks who were called upon to pick up this seemingly added burden.
- e. The uneven workload during the two weeks of the payroll cycle. The purpose and benefits of equalizing the flow of work throughout the two week period is obvious. The time of each clerk would be more equitably used, resulting in a manpower saving. To accomplish this two operational changes were made:
- (1) The extending of leave balances on the leave card (SF 1137) was omitted during the peak period and is now computed during the "off" period. The only posting made during the peak period was leave taken (except in cases of LWOP). This saved time when badly needed and permitted a more careful operation at a later date.
 - (2) The second change to shift the workload from the peak week to the less active week was a major change. The T/A Report and Payroll Change Slip (Form No. 34-42) was split into two (2) parts. The "Time and Attendance" portion of the form continued to be posted and sent in by the operating units as heretofore. The "Payroll Change Slip" portion of the form, however, was being handled as a detached form. A separate Change Slip file was set-up for each payroll and kept current by the Machine Records Division. All personnel actions (permanent and temporary) were computed on a Payroll Change Slip pulled from the Change Slip file, and forwarded to HRD with the usual controls as heretofore. (See attached procedure instruction for greater detail - Tab "T-2"). The difference to be noted is that PERMANENT PERSONNEL ACTIONS (approximately 70% of all actions) were computed during the less active week, thus equalizing the workload throughout the entire payroll cycle of two weeks. However, to make this second workload shift feasible, it was essential that both the Machine Records Division and Office of Personnel process their part of the routine promptly and meet essential deadlines. There was some difficulty in the beginning from both sources. The Machine Records Division lagged during the difficult days of processing retroactive pay. Once this problem was cleared the handling of the Payroll Change Slips became prompt. The Office of Personnel also ran into trouble in the early stages. Normally all personnel actions reach the Payroll Branch at least two weeks in advance of effective date. During the period directly following the close of the scholastic year there was an abnormal influx of new personnel. Processing within the Office of Personnel had to be stepped up to a daily basis rather than the usual weekly routine. This threw the payroll operations

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(3) Although it does nothing to speed up actual payroll operations except in the machine room, both the Navy and FBI have gone to a new IBM Electronic Computer (#650). The speed of this computer enables FBI to make the payroll machine run in 14 hours against the 72 hours previously needed.

(h) One more factor should also be brought out. All three of the above listed Agencies have found it advisable to place the general payroll functions adjacent to, and under the same supervision of the machine operation. By so doing, they get a more compact, flexible unit that lends itself to procedure changes with a minimum opposition.

4. PAYROLL STATISTICS OF INTEREST:

T/A Reports - Containing errors	- 3.5%
T/A Reports - with 80 hours only	-57.5%
T/A Reports - Having overtime, etc.	-28.5%
T/A Reports - Missing	- 2.8%
T/A Reports requiring manual computations	- 9.9%
Manual Computations with permanent changes	-70.6%
Manual Computations having Addons	-21.6%
Computing Manuals - Av. Time per Manual	3.18 min.
Running Controls - Av. Time per Manual	1.38 min.
Total Manual operation (exclusive of Audit)	4.56 min.
Total time spent by payroll clerks per pay period on manual operations	- 75 man hours
Allotments arriving late (after 1400)	24.3%
Agency Personnel taking leave each pay period	45.2%

5. CONCLUSIONS:

- a. Many changes were made in payroll routine during the period of this survey which have proven beneficial and retained. Their degree of effectiveness and continuance will depend on the manner they are administered. The changes involved in points of disagreement have been abandoned for the present but are still considered, by all concerned, as points for later discussion.

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- b. Properly administered, the proposed new procedure can be operated successfully with:
 - (1) Less personnel
 - (2) No back-log in fringe payroll duties
 - (3) No overtime to produce the payroll by either the Payroll Branch or the Machine Records Division.
 - (4) No feeling on the part of the employees of "work pressure", once adjusted to the new procedure.
- c. An organizational change was recently implemented to reduce the payroll groups from 5 to 2. Three supervisors were eliminated by the reductions in groups. In addition, a further reduction of 2 payroll clerk positions can be made.
- d. Although the U. S. Savings Bonds bought through the payroll savings plan are being effectively controlled as now handled, a survey of the matter proves, conclusively, that they can be as effectively handled through the use of tabulating machines along with the payrolls, thus relieving the payroll clerks of one more time-consuming detail.
- e. The present method of handling leave should be continued until more conclusive data has been gathered to indicate the feasibility of a change.
- 6. ACTION RECOMMENDED:
 - a. In order to affect an economical payroll operation, it is recommended that discipline within the Payroll Branch be tightened to assure 100% compliance with established procedures.
 - b. It is recommended that the T/O of the Payroll Branch immediately be reduced by an additional 2 Clerk positions.
 - c. Due to the current study being made by the Management Staff in conjunction with the Machine Records Division and the Technical Accounting Staff, Office of the Comptroller on the advisability of changing the present method of computing pay; the advantages to be derived from placing the payroll operating unit and the machine operation (IBM) under one supervisory head; and further mechanization of the Retirement Records, no further recommendations are being made at this time.

Note: Consideration is also being given as to the practicability of securing the new IBM (#650) Electronic Computer for payroll use. The experience of the General Accounting Office and two governmental Agencies now using the #650 is that the cost cannot be justified for payroll use alone even though payroll calculation results can be arrived at five times faster. A survey is being made to ascertain what other Agency work could be placed on the machine to help justify the cost.

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